



U.S. Customs and Border Protection Opens Final Three Centers of Excellence and Expertise

Ten Centers Cover Full Range of Commodities

U.S. Customs and Border Protection announced an important milestone in trade transformation efforts with the opening of the final three Centers of Excellence and Expertise, known as CEEs. The new centers are Agriculture & Prepared Products in Miami; Apparel, Footwear & Textiles in San Francisco; and Consumer Products & Mass Merchandising in Atlanta. These final CEEs, created through extensive collaboration between industry stakeholders and CBP, bring the total number to 10.

“The Centers of Excellence and Expertise represent a significant step in transforming how CBP processes trade,” said Acting Commissioner Thomas S. Winkowski. “Industry-focused and account-based CEEs allow CBP to segment risk within an industry, while enhancing our overall facilitation and enforcement efforts. With 10 fully operational CEEs, we now cover a wide range of imported commodities.”

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The CEEs virtually connect CBP personnel around the country with new technologies and comprehensive strategies to better facilitate trade and improve coordination with partner government agencies. The other seven centers are Automotive & Aerospace in Detroit; Base Metals in Chicago; Electronics in Los Angeles; Industrial & Manufacturing Materials in Buffalo; Machinery in Laredo, Texas; Petroleum, Natural Gas & Minerals in Houston; and Pharmaceuticals, Health & Chemicals in New York City.

The Centers of Excellence and Expertise are a resource to the entire trade community. CBP encourages importers to apply under the test notice published in the Federal Register.

Trade Events

On August 7, the CBP Advisory Committee on Commercial Operations (COAC) will hold its third meeting of the year in Washington, D.C. The 20 COAC members participate on six subcommittees—Trade Modernization, Trade Enforcement and Revenue Collection, Exports, Trusted Trader, Global Supply Chain, and One U.S. Government at the Border and many working groups to offer trade issue recommendations to CBP.

On June 28, the U.S. Chamber of Commerce and the U.S. Council for International Business held a trade roundtable in Europe. Acting Commissioner Winkowski's discussion focused on Authorized Economic Operator programs, Mutual Recognition Agreements, and how private sector partnership can help strengthen global supply chain security.

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“...We steadfastly enforce the laws of the United States while fostering our Nation’s economic security through lawful international trade and travel-”

From the CBP Mission Statement

Bonded Facility Vetting Goes Online

CBP's Office of Field Operations is vetting applicants for bonded facility operations through CBP's Global Enrollment System. Through this program CBP expedites the inspection and security process for lower-risk travelers and allows more scrutiny for those travelers who present an unknown risk. A separate bonded-worker vetting module processes bonded-facility applicants in the Global Enrollment System.

To date, approximately 500 applicants have been vetted and approved at the 17 port locations currently using this module. Webinars have been scheduled at port locations to introduce CBP officers to the new vetting process. The first webinar was conducted in



CBP land border crossing

May 2013 for port personnel in Atlanta, Chicago and Detroit.

CBP and Trade Planning for Transition to ACE



On May 21, the National Customs Brokers and Forwarders Association of America (NCBFAA) hosted a day of discussions between CBP and trade community software providers on the transition to the Automated Commercial Environment (ACE) for all trade processing transactions.

The NCBFAA conference allowed CBP and this key trade stakeholder group to review the draft plans for deployment of ACE core trade processing capabilities, expected in approximately 3 years. The nearly 100 participating software vendors provided CBP with valuable insight into how much time they would need to program and transition users to ACE – anywhere from 6 to 18 months, depending on the size of the deployment. The longer timeframes would be

necessary if the agency decides to mandate use of the new ACE features.

Upon deployment of the core trade processing capabilities, ACE will become the “single window,” the sole system through which the trade community will report imports and exports, and the government will determine admissibility and compliance. CBP must allow adequate time between deployments to enable vendors to develop software compatible with the new ACE features. CBP must match its quick pace with the timeframes vendors need to create compatible software.

At the May meeting, the trade recommended timelines fit well with CBP's initial plans. The ACE program office will continue to work with key stakeholder groups, including field representatives in the CBP Support Network, trade leaders in the Trade Support Network, and partner government agencies, to ensure that all parties are prepared for a full transition to ACE.



Defending Against Illegally Imported Vehicles

The Commercial Targeting and Analysis Center, known as CTAC, is revving up efforts to prevent illegal imports of Land Rover Defenders, a British off-road vehicle that has an enthusiastic following in the U.S. Defenders newer than 25 years old, whose value (and potential for black-market profit) has driven skyward in recent years, are subject to strict federal-emissions and safety regulations. To circumvent these regulations, newer vehicles are being relabeled with vehicle identification numbers from vehicles that are at least 25 years old to take advantage of the older vehicles' exemption from current safety standards.



CBP Officers inspecting a Land Rover for admissibility

CBP has coordinated with the Environmental Protection Agency and National Highway Traffic Safety Administration (NHTSA) – two agencies with regulatory authority over the vehicle – to ensure that unsafe Defenders from overseas markets do not reach our roadways. The three agencies have combined resources at CTAC, a multiagency fusion center that enhances federal targeting efforts on shipments that threaten the health and safety of the American public. The center provides a platform for the three agencies to share data, analyze import trends and conduct joint risk-based targeting.

Since October 2012, CBP has seized dozens of illegal Land Rover Defenders for violating regulations at various ports of entry across the U.S. A significant portion of these shipments arrived at the U.S. via sea from Great Britain. Despite an overseas value of approximately \$25,000, the resale value of a Defender can reach \$150,000 in the U.S. depending on the year, condition and rarity (since newer vehicles cannot be lawfully imported into the U.S.).

A video highlighting this joint targeting operation can be found [here](#). Please visit cbp.gov/ctac or contact ctac@dhs.gov for more information.

Supply-chain Security Expands with C-TPAT

The Customs-Trade Partnership Against Terrorism (C-TPAT) program has provided technical assistance to many global Authorized Economic Operator (AEO) Programs, most recently to the Philippines, Peru, Colombia, Costa Rica, the Dominican Republic and India. The goal of technical assistance is to help strengthen those countries' already established AEO programs and help the internationalization of global supply chain security.

C-TPAT is the first successful government-private business partnership program. C-TPAT's global efforts have been recognized by the World Customs Organization and by signing multiple mutual recognition arrangements throughout the world. Currently,

eligible C-TPAT importers receive incentives when exporting cargo to Japan and the European Union. These incentives include, but are not limited to, a reduction in customs security examinations and preferential treatment in cargo screening.

An additional goal for C-TPAT is to expand program membership. One of the areas C-TPAT has identified for expansion is the export business sector. C-TPAT is in the process of establishing the eligibility and minimum security criteria for a new entity, C-TPAT Exporters. C-TPAT will be coordinating these expansion efforts with current C-TPAT members, other U.S. government agencies and CBP's Advisory Committee on Commercial Operations.



U.S. Customs and
Border Protection

CBP and French Customs Partner to Enforce Intellectual Property Rights

Over the past few years, U.S. Customs and Border Protection and French Customs have teamed up on multiple intellectual property rights enforcement operations that have produced favorable results.

In April 2013, CBP and French Customs completed Operation Core Systems. This six-month bilateral IPR enforcement operation targeted counterfeit computer and other electronic components, including semiconductors, computer networking equipment, hard drives, and memory cards. The operation, underpinned by international cooperation, resulted in the seizure of 480 shipments of potentially harmful counterfeit electronic components.

In March 2013, CBP identified and intercepted an incoming shipment of a controlled substance based on advance intelligence received from French Customs. The success of this cooperation showcases the international level of cooperation necessary to protect the American public. With Operation Gotta Have Shared in 2010 and Operation Green Light in 2011, the two customs agencies cooperated on the identification and interception of counterfeit goods.



Expanding the number of international partnerships will increasingly facilitate safe and secure trade. Reflecting on the successes of bilateral IPR enforcement operations, French Customs Attaché François Richard noted that the recent Operation Core Systems is “for sure not the last.”

Truck Cargo Pre-inspection Pilot to Begin

Phase I of a truck cargo pre-inspection pilot program began June 17 at the Pacific Highway crossing adjacent to Surrey, British Columbia, as is a collaborative effort by U.S. Customs and Border Protection began, Canada Border Services Agency and Public Safety Canada. The project is part of the U.S.-Canadian initiative, “Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness.” Transport Canada and the British Columbia Ministry of Transport are also participating in the pilot.

Phase I of the pilot is designed as a “proof of concept” to determine the viability of assigning CBP officers to Canadian border crossings to pre-inspect southbound trucks, drivers and cargo prior to U.S. arrival. It will also test the viability of developed technologies and joint U.S.-Canada procedures for

CBP primary truck processing in Canada. CBP is monitoring wait times and providing traffic mitigation as needed.

Only trusted traders participating in CBP’s Free and Secure Trade program are eligible to use the dedicated CBP pre-inspection commercial primary booth located on the Canadian side of the border. Participation is not mandatory. Pre-inspection in Canada includes radiation screening and basic primary processing. Secondary inspections, when required, occur in the U.S. port of entry.

The pilot will continue in Blaine for up to six months and will operate Monday through Friday between 8 a.m. to 4 p.m. Phase II will test the feasibility of reducing cargo wait times.



Trade Enforcement Teamwork

CBP, through interdiction and administrative authorities, and HSI, through criminal investigations, share responsibility for protecting U.S. economic interests, the U.S. business competitiveness, and the health and safety of the American people from commercial trade fraud.

Commercial Fraud Training Boosts Enforcement

To foster communication and collaboration with prosecuting attorneys, CBP and U.S. Immigration and Customs Enforcement Homeland Security Investigations, known as HSI, developed commercial fraud modular training to enhance joint field investigations.

The training facilitates awareness among CBP and HSI personnel to increase both seizures and investigations to disrupt and dismantle criminal organizations engaged in commercial fraud crimes. During the training, key industry representatives have shown the impact that illegal trade schemes have on their industries. As part of the case analysis, the Department of Justice provides the legal perspective on criminal prosecution of these commercial fraud cases.



The modular training has increased HSI subject-matter expertise in specific areas of commercial fraud, which often involve complex, international investigations.

The training is available to HSI, CBP and the Department of Justice personnel at U.S. ports of entry. Since September 2012, HSI has conducted the cost-effective commercial fraud modular training at four HSI offices. Students have highly rated the training program and the classes have resulted in new investigations.

\$3 Million Penalty for Customs Fraud and Criminal Conviction

For the unlawful U.S. import of more than 100,000 pounds of Russian and Iranian caviar with an estimated value of \$10 million, an Italian national was convicted and received a \$3 million judicial penalty for customs fraud.

U.S. Customs and Border Protection assisted U.S. Immigration and Customs Enforcement Homeland Security Investigations (HSI) in its investigation, which resulted in the November 2012 conviction and January 2013 sentencing of Isidoro Garbarino in New York. The charges were entry of goods falsely classified and entry of goods by means of a false statement.

Garbarino admitted to a series of unlawful imports between 1984 and 1987, was arrested in July 1987 and indicted in November 1987. He pleaded guilty, was

released on bail and fled the country in July 1989.

CBP officers nabbed Garbarino at Houston George Bush Intercontinental Airport in September 2012. On January 3, 2013, Garbarino was sentenced in the Southern District of New York to time served, approximately four months, and after getting the \$3 million penalty was deported from the U.S.



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